

AR04



**UNITY
BANK**

Unity Bank of Canada

*Had figures
file*

**First Annual Report
1973**

EXECUTIVE OFFICERS

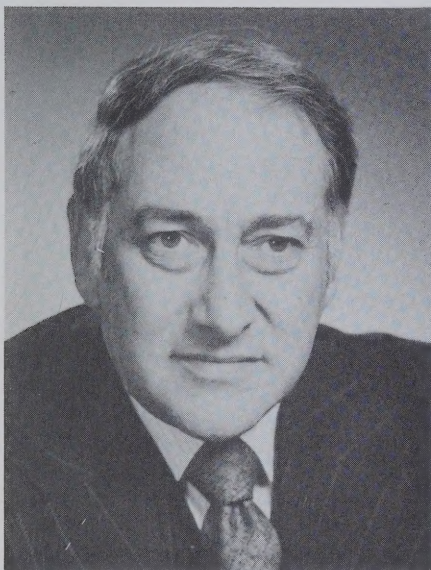
Richard B. Higgins
President and Chief Executive Officer
David T. Matthews
General Manager and Chief Operating Officer
George E. Luck
Vice-President
Gordon R. Dryden
Secretary and General Counsel
William J. Arnason
Assistant General Manager, Investments
Douglas G. Cooper
Assistant General Manager, Credit
J. Nicholas Fraser
Assistant General Manager, International
Wayne A. D. Johnson
Assistant General Manager, Marketing
Robert Thomas
Assistant General Manager, Operations
Douglas L. Ash
Chief Inspector
Michael G. LeClair
Chief Accountant
Cheryle Eisbrenner
Manager, Personnel

BOARD OF DIRECTORS

*William A. Clarke
Oakville, Ont.
Gordon R. Dryden
Toronto, Ont.
*Frederick Eisen
Toronto, Ont.
Zenon Gutkowski
Toronto, Ont.
*Richard B. Higgins
Mississauga, Ont.
Lawrence C. Jolivet
Vancouver, B.C.
*Gerald LaSalle
Sherbrooke, Que.
*Benjamin V. Levinter
Woodbridge, Ont.
Fred A. Lynds
Moncton, N.B.
*George S. Mann
Toronto, Ont.
*David T. Matthews
Toronto, Ont.
Adiuto J. Pianosi
Sudbury, Ont.
D. Rae Sutherland
Edmonton, Alta.

*Member of the Executive Committee

Address of the Chairman



B. V. Levinter Q.C.

It is, as you know, the custom in Canada for the Chairmen of our Chartered Banks to address their remarks at the Annual General Meetings of their respective Banks to the world at large, taking as their subject any matter of concern which they deem to be important.

This is an illustrious tradition and, although I do not see it as one compelling on me nor, indeed, one which the size and seniority our institution at the present time would easily support, I intend, in these remarks, to bear it in mind.

Against a background of a troubled world situation, it nevertheless seems reasonable to view Canada's future as showing a continued steady growth. Sensible people will conclude that Canadian business should be planning for that growth. I see

your Bank's part in this as a continuation of our commitment to finding a way to work more meaningfully with small to medium sized businesses.

This will inevitably involve questions of risk and return that will at times become complex. Our efforts must be to maintain a proper balance between the often opposing criteria of Prudent Banking Principle on the one side and Innovative Enterprise on the other. We are fortunate in having fresh minds and a high motivation to approach these highly complicated professional problems.

Similarly, as you have heard from the President, we are continuing our investigations into the innovative approach of Personal Banking. Here again, there are no easy answers, but it is worth noting that it is this kind of

challenge which has resulted in our attracting so many experienced and progressive thinking banking people to our staff.

Bank Act Revision

The Bank Act is due for revision in 1977. Between now and then, many discussions will take place. Many proposals will be made and attacked. Already some controversies are developing. What is interesting to me as a background is the growing climate of opinion in the Western World which is placing increasing importance on social goals in conjunction with the accepted profit goals. Much of the argument is incoherent but, if I understand it correctly, we are being instructed that, while profit accountability is valid as an efficiency indicator, social considerations are also valid as an indication of conscience. I see this opinion becoming important as a consideration in the debate on the revisions to the Bank Act and, indeed, much of the debate itself may be meaningless unless this background of opinion is taken into account.

Here again, we are faced with something that no-one really understands. What, after all, are social goals, and how is the banker supposed to add it onto the welter of criteria he is already bringing to bear on a lending or investment or even depositing proposition? Obviously

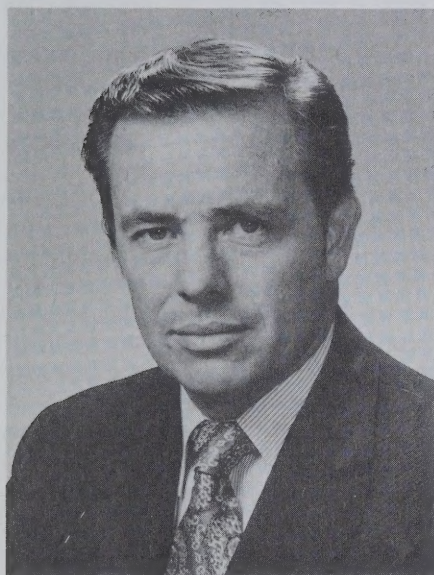
something regarded as a social good by one person may not be so regarded by another.

International

Turning to the larger world, we face a dismal sight with which you are all only too familiar. I comment only on the matter of International financial settlement. It is often remarked that we must, as a matter of urgency, quickly create a successor to the Bretton Woods Agreement so that the world may be returned from supposed financial chaos. However, it seems to me now that the major distortions in National Balances of Payments that must surely follow the recent stupendous increase in oil prices, will be the major financial factor of 1974 and for some years to come. The effect of cash flows, altered almost out of recognition from their traditional pattern, must have an enormous effect on international money markets and world trade in general.

We must count ourselves fortunate that in Canada we are not totally dependant on other countries for our oil supply, and we must prepare to take on an increasingly important international role in the debate on the world energy situation. And, indeed, I close this short address on a note of national pride. We are proudly Canadian and we are proud to be part, albeit a small part, of the Canadian Banking system.

The President's Report



Richard B. Higgins

During the year ending October 31st, 1973, we met or exceeded the commitments made in our Prospectus of September 19, 1972. I would like to compare those commitments with the results your management team achieved:

We promised to establish 25 branches within 5 years.

- 16 branches were opened during our first full year of operation.

We said Unity's branches would be located in key commercial sectors across Canada.

- Our branch locations include sites in Vancouver, Winnipeg, Toronto, St. Catharines, Peterborough, Sudbury, Ottawa, Hamilton and Mississauga.

Loans were to be concentrated in personal and small to medium sized business credits.

- In excess of 98.5% of all loans made were granted to these categories.

A commitment was made to establish a pilot personalized banking centre designed to provide a closer customer relationship.

- On November 15, 1973, our York and Adelaide Street branch was opened to fill this function.

We agreed to establish a regional character and facilities designed and located to accommodate the requirements of each region.

- Continued work is being done on a decentralized management system, which includes regional involvement in branch location and design.

In line with our objectives, we also established

- basic and uniform branch and support group systems, methods and procedures;
- credit, marketing and inspection functions, and are now in the process of formalizing our asset and liability mix.

During the year, our International Department established—

- correspondent relationships with 15 banks in 12 countries;
- a trading division actively engaged in foreign exchange and inter-bank Euro currency deposit markets and
- import and export customer facilities and international settlement and clearing arrangements.

Branch Expansion

In 1973, we made a very important change in our profit plan. A decision was made to increase our branch expansion objectives for the year from 5 to 16. This was done to maximize profitability in the long term and take advantage of what management felt was a non-recurring opportunity to obtain high quality personnel. In addition, it was felt that the Bank should establish a national branch system as quickly as possible to serve the needs of its customers and to meet the probability of increased competition during the seventies. This was possible only because our branch systems, methods and procedures were developing well ahead of schedule.

Turning to our financial statements, you will note that it was necessary, while working towards our overall asset and liability mix objectives, to maintain a somewhat higher than normal percentage of assets in the form of cash and securities.

In anticipation of rising interest rates during the year, management maintained an investment mix of as short a term as we felt possible. You will note, therefore, that approximately \$16.5 million is shown on the Balance Sheet as "Other Securities". This is comprised of high grade commercial paper, having an average term of less than one year.

An evaluation of our total security portfolio at the end of the year showed it to be approximately \$191,000 lower than cost. An appropriation was made for this amount and it will be reversed and returned to the Rest Account over the maturity of the securities valued.

Loan Evaluation

Our Loan Portfolio is of good quality, well secured, with emphasis on small to medium sized business loans.

All Mortgage Loans are in good order, with repayments being made as agreed.

As of year end, all branch sites have been leased and the amounts shown under "Bank Premises" are made up of leasehold improvements, furniture, fixtures and equipment. All branch opening costs have been written off to expenses over the year.

Liabilities

On the liability side, personal savings deposits of approximately \$3 million were lower than projected. However, this should correct itself during 1974, as we develop a more varied distribution of our branches. Most of the early branches, as planned, were in areas where business lending was considered the predominant factor.

The amount of "Other Securities" (\$486,460) represents deposits through re-purchase agreements with investment dealers.

Our balance of revenue of \$44,798 reflects our mid-year decision to build a branch network as rapidly as possible, and I am confident that future earnings will confirm our course of action.

Operational Strength

In the area of Organizational Development, all operational and functional departments are now fully staffed with qualified and experienced bankers. Our latest appointment in this regard was Mr. David T. Matthews, who joined us last October 1st as General Manager and Chief Operating Officer.

As a new Bank, greater emphasis than normal has been placed on the quality of credit. In addition to the normal bank audits, inspections and shareholder audits, we have instituted a regular system of branch credit reviews, carried out by Support Group credit specialists. This will be continued throughout 1974.

Continued progress is being made towards the documentation and implementation of a more personalized banking approach, with our York and Adelaide branch serving as a test facility.

Our 1974 profit plan aims at a total network of 25 branches by the end of 1974, including locations in

Calgary and Montreal. Total assets will approximate \$170 million.

As a result of our rapid branch expansion programme, we project that expenses in our first quarter will substantially exceed our income. However, during the second quarter, we should break even and show rapid improvement, to end the year with a planned balance of revenue of \$300,000. By the end of 1974 we will have completed the heavy expenditures required in establishing a national banking network, and profits will show continuing improvement thereafter.

Note of Thanks

I think it is fitting to conclude my remarks with an expression of very deep appreciation to the over 200 people who have joined our Bank during the past year, and also to thank our Board of Directors for the warm and very close support which they have given me unfailingly since my appointment. On behalf of the whole management team, I would like to assure our shareholders that we will express our appreciation to them for their support and confidence by establishing Unity Bank of Canada as a vibrant and viable institution with a commanding position in the market place.

Unity Bank
Statement of Assets
as at October 31, 2013

ASSETS

Cash Resources

Cash and due from banks (Note 3)	\$23,302,115	
Cheques and other items in transit, net	78,873	\$23,380,988

Securities

Securities issued or guaranteed by Canada, at amortized value	6,576,145	
Securities issued or guaranteed by provinces at amortized value	532,362	
Other securities, not exceeding market value	16,536,123	23,644,630

Loans

Day, call and short loans to investment dealers and brokers, secured	33,752	
Other loans including mortgages, less provision for losses	51,137,310	51,171,062
Bank premises at cost, less amounts written off		572,429
Customers' liability under acceptances, guarantees and letters of credit, as per contra		361,654
Other assets		83,032
		\$99,213,795

Richard B. Higgins,
 President and Chief Executive Officer

of Canada

s and Liabilities

- 31, 1973

LIABILITIES

Deposits

Deposits by Canada	\$ 166,872	
Deposits by provinces	15,066,464	
Deposits by banks	5,953,468	
Personal savings deposits payable after notice, in Canada, in Canadian currency	3,177,641	
Other deposits	<u>48,266,509</u>	\$72,630,954
Acceptances, guarantees and letters of credit		361,654
Other liabilities		486,460
Accumulated appropriations for losses		209,077

Shareholders' Equity

Capital Stock (Note 2)

Authorized 4,000,000 shares par value \$5.00		
Issued 3,383,557 shares	16,917,785	
Less uncalled subscriptions	<u>1,573,053</u>	
Paid-up capital	15,344,732	
Rest account	10,160,120	
Undivided profits	<u>20,798</u>	25,525,650
		<u><u>\$99,213,795</u></u>

David T. Matthews,
General Manager

**Statement of Revenue,
Expenses and Undivided Profits
for the financial year ended October 31, 1973**

Revenue

Income from loans	\$2,855,740	
Income from securities	857,112	
Other operating revenue	<u>211,853</u>	
Total revenue		\$3,924,705

Expenses

Interest on deposits	1,648,724	
Salaries, pension contributions and other staff benefits	1,118,409	
Property expenses, including depreciation	275,427	
Other operating expenses, including provision for losses on loans based on the loss experience	<u>837,347</u>	
Total expenses		<u>3,879,907</u>
Balance of revenue		44,798
Provision for income taxes relating thereto (Note 4)		<u>24,000</u>
Balance of revenue after provision for income taxes		20,798
Undivided profits at beginning of year		<u>—</u>
Undivided profits at end of year		<u><u>\$ 20,798</u></u>

Statement of Rest Account
for the period from March 29, 1972
(date of incorporation) to October 31, 1973

Premium on shares issued (Note 2)		\$11,140,275
Incorporation and Organization expenses less income earned for the period to October 31, 1972, and reduction in income taxes of \$24,000 applicable to a portion thereof (Notes 1 and 4)	\$580,155	
Transfer to accumulated appropriations for losses	<u>400,000</u>	<u>980,155</u>
Balance at end of period		<u><u>\$10,160,120</u></u>

**Statement of Accumulated
Appropriations for Losses**
for the financial year ended October 31, 1973

Accumulated appropriations at beginning of year:		
General_____		
Tax-paid_____		
Total		<u>—</u>
Transfer from Rest Account		\$400,000
Provisions to reduce securities other than those of Canada and a province to values not exceeding market		(190,923)
Accumulated appropriations at end of year:		
General_____		
Tax-paid <u>\$209,077</u>		
Total		<u><u>\$209,077</u></u>

Notes to Financial Statements

for the financial year ended October 31, 1973

1. Incorporation and Organization

The Bank was incorporated by a Special Act of the Parliament of Canada which became effective on March 29, 1972 and received approval to commence business on November 16, 1972.

The incorporation and organization expenses, including the expenses of share issue, less income earned, to October 31, 1972, have been charged to the Rest Account. All revenue and expenses subsequent to October 31, 1972 are reflected in the Statement of Revenue, Expenses and Undivided Profits.

2. Capital Stock

Prior to October 31, 1972, 3,383,557 shares were subscribed for at \$8.63 per share for an aggregate cash consideration of \$29,200,097. At October 31, 1973, 3,017,382 shares are fully paid and 366,175 shares are partly paid. Of the aggregate amount of \$26,485,007 paid up on subscriptions, \$15,344,732 has been credited to paid up capital and \$11,140,275 has been credited to rest account. The aggregate balance of unpaid subscriptions is \$2,715,090, of which \$1,573,053 will be credited to paid up capital and \$1,142,037 will be credited to rest account when payment is received.

3. Cash and Due From Banks

Included in Cash and Due from Banks are interest bearing deposits with banks of \$14,247,081.

4. Income Taxes

The provision for income taxes of \$24,000 included in the Statement of Revenue, Expenses and Undivided Profits is offset by the reduction in income taxes of \$24,000 included in the Statement of Rest Account.

Auditors' Report to the Shareholders

We have examined the Statement of Assets and Liabilities of the Unity Bank of Canada as at October 31, 1973, and the Statements of Revenue, Expenses and Undivided Profits and Accumulated Appropriations for Losses for the year ended on that date and the Statement of Rest Account for the period from March 29, 1972, date of incorporation, to October 31, 1973. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Bank as at October 31, 1973, and its revenue, expenses and undivided profits and accumulated appropriations for losses for the year ended on that date and transactions in the Rest Account for the period ended on that date.

J. E. Zittler, C.A.
of Zittler, Siblin, Stein, Levine & Co.

Toronto, Ontario
November 23, 1973

A. C. Ryley, F.C.A.
of Coopers & Lybrand

Minutes of the First Annual General Meeting of Shareholders

The first Annual General Meeting of Shareholders of Unity Bank of Canada was held in The Library of the Royal York Hotel, Toronto, at 11 a.m. on Monday, January 14th, 1974.

Mr. B. V. Levinter, Chairman of the Board of Directors took the Chair and, having been furnished with proof of the service of the notice of meeting and the presence of a quorum, called the meeting to order.

With the approval of the meeting, Mr. Levinter called on Mr. G. R. Dryden, Secretary of the Bank, to act as Secretary of the Meeting, and asked Mr. E. M. Summers and Mrs. E. M. Lusky of Canada Trust Company, to act as scrutineers.

Mr. G. R. Dryden, Secretary, then read the notice of meeting.

After introducing the members of the Board of Directors, the Chairman paid tribute to Mr. Isadore Levinter, O.C., a founding director, who having reached 75 years of age, is no longer eligible to be a director according to The Bank Act.

Resolutions

The Chairman explained that all eligible shareholders had been provided with two ballot forms, and explained that the first form would be collected by the scrutineers after voting on the first four motions, and the second form after voting for the Board of Directors.

Annual Statement and Auditors' Report

The Chairman proposed that as copies of the Annual Statement had been circulated to all shareholders, and copies were available at the meeting, the Statement be taken as read. The Secretary then read the Auditors' Report.

It was moved by Dr. G. LaSalle and seconded by Mr. F. Eisen, "That the Annual Statement of the Bank for the year ended October 31, 1973, and the Auditors' Report to the Shareholders be adopted."

Appointment of Shareholders' Auditors and Fixing of their Remuneration

It was moved by Mr. Z. Gutkowski and seconded by Mr. Mel Brown, "That Mr. A. C. Ryley of Messrs. Coopers and Lybrand, and Mr. J. E. Zittler of Messrs. Zittler, Siblin, Stein, Levine and Company, be appointed auditors of the Bank until the next annual general meeting and that their remuneration be fixed in the sum not to exceed \$25,000."

Ratification of the Shareholders' By-Laws

The Chairman referred to the availability at the meeting of copies of the Shareholders' By-Laws and called for a motion to ratify and confirm same.

It was moved by Mr. L. C. Jolivet and seconded by Mrs. Daune Higgins, "That the Shareholders' By-Laws of the Bank as available to this meeting be ratified and confirmed."

Appointment of Proxies to vote in the name of the Bank

It was moved by Mr. A. J. Pianosi and seconded by Dr. Wright, "That Benjamin V. Levinter, or failing him, Richard B. Higgins, or failing him, David T. Matthews, or failing him, Douglas Cooper, or failing him, Gordon R. Dryden, be appointed as proxy of Unity Bank of Canada to vote its shares at the Annual General and any other meetings of shareholders of Uniban Realty (St. Catharines) Limited and any other corporations which the Bank may control and which may come within the meaning of subsection 5 of section 17 of the Bank Act in the ensuing year."

The scrutineers then collected ballots taken on the above four motions.

Election of Directors

In accordance with the By-Laws of the Bank, the Chairman advised the meeting that the number of directors to be appointed was thirteen.

It was moved by Mr. F. Naylor and seconded by Mrs. Joan Weller, "That William A. Clarke, Gordon R. Dryden, Frederick Eisen, Zenon Gułkowski, Richard B. Higgins, Lawrence C. Jolivet, Dr. Gerald LaSalle, Benjamin V. Levinter, Fred A. Lynds, George S. Mann, David T. Matthews, Adiuto J. Pianosi and D. Rae Sutherland be nominated as Directors of the Bank to hold office until the next annual general meeting of shareholders."

The Chairman then asked if there were any further nominations. There being no further nominations, he declared nominations closed and the second ballot was collected by the scrutineers.

The President was then asked to present his report to the meeting. (See pages 3–5).

The Chairman then delivered his report to the meeting. (See pages 1–2). The Chairman then received the report of the scrutineers on the ballots cast by the Shareholders. He announced that all four motions on the first ballot had been carried and that the Directors nominated on the ballot form had been elected.

Other Business

The Chairman then asked if any shareholder wished to raise any other matter before the meeting.

To a question of when the Bank expects to start paying dividends Mr. Higgins said that the Board of Directors should be in a position to declare a dividend at the end of the third year. He told the same shareholder that the Bank Act precludes Banks from issuing preferred shares. Asked if the Bank would invest in the Canada Development Corporation if, and when, it goes public, Mr. Higgins replied that this would be a decision for the Board of Directors, but he would think not.

The Chairman was asked when unpaid share subscriptions will be paid, and if there were any time limits. The Chairman said the decision on payment of subscriptions was one that would have to be made by the Board of Directors. The Secretary pointed out that until subscription prices are fully paid, the owners may not sell or trade the stock and no share certificates will be issued.

The President added that \$1 million of these partially paid shares had been issued to management as an incentive program and the balance to founding directors.

There being no further questions, the Chairman declared the meeting adjourned.

DIRECTORY OF BRANCHES

Head Office:

The Federal Building, 85 Richmond Street West, Toronto, Ontario M5H 2C9

Branch locations: Full service branches are in operation at the following locations:

Ontario:

22 King Street East,
Hamilton
1855 Dundas Street East
Mississauga
3353 The Credit Woodlands,
Mississauga
399 Elgin Street,
Ottawa
270 George Street North,
Peterborough
259 St. Paul Street,
St. Catharines
1749 La Salle Blvd.,
Sudbury

Executive Branch

85 Richmond Street West,
Toronto
141 Adelaide Street West,
Toronto
762 Broadview Avenue,
Toronto
3018 Danforth Avenue,
Toronto
Unity Bank Professional Centre,
2 Dunbloor Road,
Toronto
466-468 Dundas Street West,
Toronto
124-126 Yorkville Avenue,
Toronto

Manitoba:

244 Portage Avenue,
Winnipeg

British Columbia:

73 Water Street,
Vancouver
450 Nanaimo Street,
Vancouver



UNITY BANK

Unity Bank of Canada

Interim Financial Statement

Six months ended
April 30, 1973

President's Message

To the Shareholders:

The Bank completed its first half year of business with a Balance of Revenue of \$256,956, and total assets amounting to over \$39 million.

As was forecast in the report of the first quarter, the growth of Balance of Revenue necessarily slowed in the second quarter, because of increased expenditures on the opening of new branches, the addition of staff and increased interest payments on deposits.

At the end of the half year, we had four branches operating – two in Downtown Toronto, one in Mississauga and one in St. Catharines. We should be well ahead of our planned branch opening schedule by the end of the first year.

Plans are well advanced for start-up activities in Manitoba and British Columbia during the third quarter.

In accordance with our overall plans to be innovative and competitive, we have held our prime rate of interest on loans below the other banks during two Bank Rate increases made by the Bank of Canada. Similarly, we have raised the interest on non-chequable deposit accounts to $5\frac{1}{4}\%$, and on personal savings certificates to $7\frac{3}{4}\%$, which are both higher than the other Chartered Banks.

In addition, we are ahead of schedule in our development and implementation of training courses geared to make our branch bankers more sophisticated financial problem solvers – particularly in the small-to-medium sized business area.

Yours very truly,

R. B. Higgins
Chief Executive Officer

Interim Statement of Revenue, Expenses and Undivided Profits

For the six months
ended April 30, 1973
(unaudited)

Revenue

Income from loans	\$846,904	
Income from securities	108,831	
Other operating revenue	5,973	
Total revenue		✓ \$961,708

Expenses

Interest on deposits	172,470	
Salaries, pension contributions and other staff benefits	236,333	
Property expenses including depreciation	26,733	
Other operating expenses	269,216	
Total expenses		704,752
BALANCE OF REVENUE		✓ 256,956
UNDIVIDED PROFITS AT END OF PERIOD		<u>\$256,956</u>

Notes to Interim Financial Statements

For the six months
ended April 30, 1973
(unaudited)

1. Incorporation and Organization

The Bank was incorporated by a Special Act of Parliament of Canada which became effective on March 29, 1972. The Bank received approval to commence business on November 16, 1972.

The incorporation and organization expenses, including the expenses of share issue, less income earned to October 31, 1972 have been charged to the Rest Account.

All revenue and expenses subsequent to October 31, 1972 are reflected in the Statement of Revenue, Expenses and Undivided Profits.

President's Message

To the Shareholders:

The Bank completed its first half year of business with a Balance of Revenue of \$256,956, and total assets amounting to over \$39 million.

As was forecast in the report of the first quarter, the growth of Balance of Revenue necessarily slowed in the second quarter, because of increased expenditures on the opening of new branches, the addition of staff and increased interest payments on deposits.

At the end of the half year, we had four branches operating – two in Downtown Toronto, one in Mississauga and one in St. Catharines. We should be well ahead of our planned branch opening schedule by the end of the first year.

Plans are well advanced for start-up activities in Manitoba and British Columbia during the third quarter.

In accordance with our overall plans to be innovative and competitive, we have held our prime rate of interest on loans below the other banks during two Bank Rate increases made by the Bank of Canada. Similarly, we have raised the interest on non-chequable deposit accounts to 5¼ %, and on personal savings certificates to 7¾ %, which are both higher than the other Chartered Banks.

In addition, we are ahead of schedule in our development and implementation of training courses geared to make our branch bankers more sophisticated financial problem solvers – particularly in the small-to-medium sized business area.

Yours very truly,

R. B. Higgins
Chief Executive Officer

Interim Statement of Assets and Liabilities

As at April 30, 1973
(unaudited)

ASSETS

Cash Resources

Cash and due from banks	\$12,307,600	
Cheques and other items in transit, net	<u>733,594</u>	\$13,041,194

Securities


Securities issued or guaranteed by Canada at amortized value	517,900	
Security issued or guaranteed by Provinces at amortized value	<u>18,882</u>	
Other securities, not exceeding market value	<u>12,076,813</u>	12,613,595

Loans

Day, call and short loans to investment dealers and brokers, secured	2,500,000	
Other loans, including mortgages, less provision for losses	<u>10,597,816</u>	13,097,816

Bank Premises at cost, less amounts written off		99,810
--	--	--------

Customers' Liability under acceptances, guarantees and letters of credit, as per contra		6,400
--	--	-------

Other Assets		155,017
		<u><u>\$39,013,832</u></u>

LIABILITIES

Deposits

Deposits by Canada	\$ 202,000	
Personal savings deposits payable after notice, in Canada in Canadian currency	322,545	
Other deposits	<u>12,057,015</u>	\$12,581,560

Acceptances, Guarantees and Letters of Credit

6,400

Other Liabilities

535,026

SHAREHOLDERS' EQUITY

Capital Stock – Authorized 4,000,000 shares par value \$5.00		
Issued 3,383,558 shares	16,917,790	
Uncalled Subscriptions	<u>1,573,058</u>	
Paid up capital	15,344,732	
Rest Account (Note 1)	<u>10,546,114</u>	25,890,846

\$39,013,872

Interim Statement of Revenue, Expenses and Undivided Profits

For the six months
ended April 30, 1973
(unaudited)

Revenue

Income from loans	\$846,904	
Income from securities	108,831	
Other operating revenue	5,973	
Total revenue		✓ \$961,708

Expenses

Interest on deposits	172,470	
Salaries, pension contributions and other staff benefits	236,333	
Property expenses including depreciation	26,733	
Other operating expenses	269,216	
Total expenses		704,752
BALANCE OF REVENUE		✓ 256,956
UNDIVIDED PROFITS AT END OF PERIOD		<u>\$256,956</u>

Notes to Interim Financial Statements

For the six months
ended April 30, 1973
(unaudited)

1. Incorporation and Organization

The Bank was incorporated by a Special Act of Parliament of Canada which became effective on March 29, 1972. The Bank received approval to commence business on November 16, 1972.

The incorporation and organization expenses, including the expenses of share issue, less income earned to October 31, 1972 have been charged to the Rest Account.

All revenue and expenses subsequent to October 31, 1972 are reflected in the Statement of Revenue, Expenses and Undivided Profits.

AR04

Diamond Street West



UNITY BANK

Unity Bank of Canada

Interim Financial Statement

Six months ended
April 30, 1973

AR04

Diamond Street West

